

Jennifer J Johnson, Secretary
Board of Governors of the Federal Reserve System
20th St and Constitution Ave NW
Washington DC 20551Docket No R-1360

Secretary Johnson:

Higher Education in any form is valuable to every community, state and nation. The cost of higher education continues to sky rocket. The belief is that this makes education unaffordable to low-to-moderate income individuals. This is far from the truth. Anyone who chooses to pursue higher education has the opportunity to apply for scholarships and apply for Federal Student Loans. There is no need for a regulation requiring a bank to participate in such a program as community banks are more than willing to serve their communities, whether it be for education, homeownership, business development or any other purpose to enhance their lives.

In the state of Montana, all student loans are administered through the Montana Higher Education Student Assistance Corporation (MHESAC). Any lender within the state of Montana can be an approved lender, simply by signing an agreement with MHESAC. The bank never shows the loan as an asset; never disperses the loan; never interviews the student. The lender is selected by the student from a list provided to them by MHESAC. The student completes the FAFSA form and submits it to MHESAC and they award the loan. My bank has chosen not to participate in this process. We would much prefer to focus our services, investments and lending on helping those in our assessment area. There is no system in place to track the low-t- moderate income students from my community who choose my bank as their lender if they borrow through MHESAC.

We invest in our local community in countless ways and through our “Outstanding” CRA ratings, have shown that we are indeed civic minded without participating in a Federal Student Loan program.

Thank you,
Suzan J Olinger, CRCM
AVP, Compliance Safety & Security